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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91212768
Party	Defendant Disidual Clothing, LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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INTS It Is Not The Same, GmbH, Opposer, v. Disidual Clothing, LLC, Applicant.	Serial No. 85/836,544 Opposition No. 91212768 Mark: DISIDUAL

APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIM AND MOTION TO STRIKE APPLICANT'S EXHBIITS

Applicant Disidual Clothing, LLC ("Disidual Clothing"), by and through its undersigned attorneys, responds to Opposer INTS It Is Not The Same, GmbH's ("Opposer") Motion to Dismiss Applicant's Counterclaim for Failure to State a Claim and Motion to Strike Applicant's Exhibits filed on April 21, 2014 ("Motion to Dismiss" and "Motion to Strike," respectively) as follows:

I. INTRODUCTION

Opposer's Motion to Dismiss ignores allegations in Disidual Clothing's counterclaim filed on December 20, 2013 ("Counterclaim") as well as relevant case law. First, contrary to Opposer's assertion, Disidual Clothing's Counterclaim identifies the ground for cancellation of Opposer's federal registration for the mark DESIGUAL (Stylized), assigned U.S. Registration No. 2,088,319 ("DESIGUAL Mark"), as abandonment, which is conceded in Opposer's Motion to Dismiss itself. Second, Disidual Clothing's Counterclaim provides sufficient facts to plausibly state a claim for relief based on abandonment of Opposer's DESIGUAL Mark resulting from at least three consecutive years of non-use. Opposer's Motion to Dismiss entirely ignores

legal precedent allowing a *prima facie* case of abandonment by pleading at least three consecutive years of non-use.

Additionally, Opposer's Motion to Strike the exhibits attached to Disidual Clothing's Answer and Counterclaim is unwarranted. Disidual Clothing attached exhibits to its Counterclaim to assist the Board in ascertaining the plausibility of its allegations, which is permitted under Trademark Trial and Appeal Board Manual of Procedure ("TBMP") § 317 and Trademark Trial and Appeal Board ("TTAB" or "Board") case law.

Disidual Clothing therefore respectfully requests that the Board deny Opposer's Motion to Dismiss Disidual Clothing's Counterclaim and its Motion to Strike.

II. PROCEDURAL BACKGROUND

On October 2, 2013, Opposer filed a Notice of Opposition against Disidual Clothing's federal application for the mark DISIDUAL, assigned U.S. Serial No. 85/836,544, alleging a likelihood of confusion with the mark DESIGUAL. Notice of Opposition §§ 3, 6, 7, 10 (Dkt. 1). Disidual Clothing filed its Answer and a Counterclaim requesting cancellation of Opposer's registration for the DESIGUAL Mark on the grounds of abandonment on December 20, 2013. Answer and Counterclaim 8 (Dkt. 9). On April 21, 2014, Opposer moved to dismiss Disidual Clothing's Counterclaim and strike exhibits attached to Disidual Clothing's Answer and Counterclaim. Motion to Dismiss 1 (Dkt. 14).

III. LEGAL STANDARDS

"A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of a complaint. [] In order to withstand such a motion, a complaint need only allege such facts as would, if proved, establish that the plaintiff is entitled to the relief sought, that is, that (1) the plaintiff has standing to maintain the proceeding, and (2) a valid

ground exists for denying the registration sought (in the case of an opposition)." TBMP § 503.02. A claim "must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). "The pleading must be examined in its entirety, construing the allegations therein liberally, as required by Fed. R. Civ. P. 8(f)." *Otto Int'l, Inc. v. Otto Kern GmbH*, 83 U.S.P.Q.2d 1861, 2007 TTAB LEXIS 62, *2 (TTAB May 30, 2007).

"In order to set forth a cause of action to cancel the registration of a mark which assertedly has been abandoned, plaintiff must allege ultimate facts pertaining to the alleged abandonment. The facts alleged must set forth a *prima facie* case of abandonment by a pleading of at least three consecutive years of non-use or must set forth facts that show a period of non-use less than three years coupled with an intent not to resume use. By so alleging, a plaintiff provides fair notice to the defendant of the plaintiff's theory of abandonment." *Otto Int'l,* 2007 TTAB LEXIS 62, at *5; *see ShutEmDown Sports, Inc. v. Carl Dean Lacy*, Cancellation No. 92046692, 17-19 (TTAB Feb. 22, 2012) (finding a *prima facie* case of abandonment with respect to identified goods for which the respondent had never used the mark at issue); *Imperial Tobacco Ltd. v. Phillip Morris Inc.*, 899 F.2d 1575, 1581-82, 14 U.S.P.Q.2d 1390 (Fed. Cir. 1990) (abandonment found where mark had never been used); *The Procter & Gamble Co. v. Sentry Chemical Co.*, 22 U.S.P.Q.2d 1589, 1592 (TTAB 1992) (abandonment may be established by proving that a registrant has never used its mark on certain goods).

"A plaintiff or defendant may attach exhibits to its pleading. However, with two exceptions, exhibits attached to a pleading are not evidence on behalf of the party to whose pleading they are attached unless they are, thereafter, during the time for taking testimony,

properly identified and introduced in evidence as exhibits." TBMP § 317. However, exhibits attached to a pleading may be considered by the Board "for the purpose of ascertaining the plausibility of applicant's allegations." *Caymus Vineyards v. Caymus Medical*, *Inc.*, Opposition No. 91204667, *4 (TTAB July 12, 2013) (*citing* Fed. R. Civ. P. 10(c), 37 C.F.R. § 2.116(a)), and *In re Bill of Lading Transmission and Processing System Patent Litigation*, 681 F.3d 1323, 103 USPQ2d 1045, 1055 (Fed. Cir. 2012) ("district court was required to analyze the facts plead in the amended complaint and all documents attached thereto with reference to the elements of a cause of action.")).

IV. ARGUMENT

A. Disidual Clothing's Counterclaim Gives Opposer Adequate Notice of the Claim Being Asserted.

Disidual Clothing's Counterclaim states in its opening paragraph that it "requests cancellation of the registration due to Opposer's abandonment of the mark." Answer and Counterclaim 8. The Counterclaim reiterates the claim of abandonment near its closing, stating "Reg. No. 2,088,319 has been abandoned and should be canceled in full." Answer and Counterclaim 10. Opposer's Motion to Dismiss itself recognizes that the Counterclaim identified 15 U.S.C. § 1064(3) as the legal ground for its counterclaim. Motion to Dismiss 3. The Counterclaim alleges facts demonstrating at least three consecutive years of non-use of Opposer's DESIGUAL Mark. Answer and Counterclaim §§1-12. The Counterclaim outright states that "On information and belief … the DESIGUAL (Stylized) mark covered by Reg. No. 2,088,319 has not been used as a trademark on the identified goods." Answer and Counterclaim §11. By alleging a period of non-use exceeding three years, Disidual Clothing provides fair notice to Opposer of Disidual Clothing's theory of abandonment. *Otto Int'l,* 2007 TTAB LEXIS 62, at *5. Moreover, Opposer's Motion to Dismiss specifically quotes the portion of the Lanham

Act providing that "[n]onuse for 3 consecutive years shall be prima facie evidence of abandonment." Motion to Dismiss 3. Opposer's allegations in its Motion to Dismiss that Disidual Clothing failed to state a ground for cancellation of Opposer's DESIGUAL Mark and that Opposer did not receive fair notice are wholly without merit.

B. Disidual Clothing's Counterclaim Pleads Sufficient Facts to Establish Prima Facie Abandonment.

Disidual Clothing's Counterclaim pleads *prima facie* abandonment of Opposer's DESIGUAL Mark by alleging facts showing that Opposer failed to use its mark on or in connection with the goods identified in its registration for more than three consecutive years.[1] Because the Counterclaim alleges a period of non-use greater than three years, the Counterclaim does not need to plead facts regarding Opposer's intent to establish *prima facie* abandonment. *See Otto Int'l,* 2007 TTAB LEXIS 62, at *5; *ShutEmDown Sports,* Cancellation No. 92046692, at 17-19; *Imperial Tobacco Ltd.*, 899 F.2d at 1581-82; *The Procter & Gamble Co.*, 22 U.S.P.Q.2d at 1592. In its Motion to Dismiss, Opposer implies that the Counterclaim is insufficiently pleaded because Disidual Clothing "has not pleaded that Opposer has discontinued its use of the mark with intent not to resume such use." This is legally incorrect, and Opposer's Motion to Dismiss should be denied.

[1] Opposer does not contest Disidual Clothing's standing in this proceeding, which Disidual Clothing properly alleged in its Counterclaim. In particular, Disidual Clothing alleged that "it will be damaged by the continued registration of the mark DESIGUAL (Stylized), Reg. No. 2,088,319, and therefore requests cancellation of the registration due to Opposer's abandonment of the mark." Answer and Counterclaim 8. Further, Disidual Clothing's standing is inherent because it is a counterclaim plaintiff. *See Dak Industries Inc. v. Daiichi Kosho Co.*, 35 U.S.P.Q.2d 1434 (TTAB 1995) ("[A]pplicant's counterclaims for partial cancellation of opposer's pleaded registrations on the ground of abandonment are legally sufficient. Applicant has pleading standing by virtue of its position as party defendant in this opposition proceeding."); *Finanz St. Honore, B.V. v. Johnson & Johnson*, 85 U.S.P.Q.2d 1478 (TTAB 2007) ("As a counterclaim plaintiff, Johnson need not allege its standing to challenge the pleading registrations because its standing is inherent.").

C. The Exhibits Attached to Disidual Clothing's Counterclaim Were Submitted to Support the Plausibility of Disidual Clothing's Counterclaim.

Disidual Clothing submitted the exhibits attached to its Counterclaim to assist the Board in ascertaining the plausibility of the allegations contained in the Counterclaim with the understanding that such exhibits were not being introduced into the record as evidence. *See* TBMP § 317; *Caymus Vineyards*, Opposition No. 91204667, at *4. Accordingly, Opposer's Motion to Strike is unwarranted, and Disidual Clothing will properly introduce the exhibits into evidence during the period for the taking of testimony pursuant to 37 C.F.R § 2.122(c).

V. CONCLUSION

As set forth above, Disidual Clothing pleaded sufficient facts in its Counterclaim to plausibly state a claim for relief based on abandonment of Opposer's DESIGUAL Mark. Therefore, Disidual Clothing respectfully requests that the Board deny Opposer's Motion to Dismiss Disidual Clothing's Counterclaim and its Motion to Strike Disidual Clothing's exhibits.

Respectfully submitted,

Dated: May 12, 2014

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CERTIFICATE OF FILING

The undersigned affirms that APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIM AND MOTION TO STRIKE APPLICANT'S EXHBIITS was filed with the Trademark Trial and Appeal Board via the ESTTA electronic filing system on the date below.

Dated: May 12, 2014 Craig A. Beaker

CERTIFICATE OF SERVICE

The undersigned affirms that APPLICANT'S RESPONSE TO OPPOSER'S MOTION TO DISMISS APPLICANT'S COUNTERCLAIM AND MOTION TO STRIKE APPLICANT'S EXHBIITS was served by first class mail upon the following:

John S. Egbert
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Dated: May 12, 2014 Craig A. Beaker